

<010> Study Area Code	150133
<015> Study Area Name	VERNON TEL CO
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Bruce Schiefelbein
<035> Contact Telephone Number: Number of the person identified in data line <030>	6086645455 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	bruce.schiefelbein@tdstelecom.com

Received & Inspected

JUN 26 2015

FCC Mail Room

ANNUAL REPORTING FOR ALL CARRIERS	150133	150133
	Completed	Completed
	Reported	Reported

<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450> Mobile		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 150133ny510.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 150133ny610.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability Certification	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Certify whether terrestrial backhaul options exist (Yes or No)	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet			
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers			
<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet			
<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	150133
<015>	Study Area Name	VERNON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Schiefelbein
<035>	Contact Telephone Number - Number of person identified in data line <030>	6086645455 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce.schiefelbein@tdstelecom.com

<110>	Has your company received its ETC certification from the FCC?	(yes / no)	<input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no)	<input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

150133ny112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets
<114>	Report how much universal service (USF) support was received
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Not Applicable

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<220> <a> <b1> <b2> <b3> <b4> <c1> <c2> <d> <e> <f> <g> <h>

[illegible]

OAC: 3060-0819
 OAC Control No. 3060-0819 OAC Control No. 3060-0819
 July 2015

<010>	Study Area Code	150133
<015>	Study Area Name	VERNON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Bruce Schiefelbein
<035>	Contact Telephone Number - Number of person identified in data line <030>	6086645455 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce.schiefelbein@tdstelecom.com

<701>	Residential Local Service Charge Effective Date	1/1/2015
<702>	Single State-wide Residential Local Service Charge	

[illegible]

<010>	Study Area Code	150133
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<030>	Contact Name - Person USAC should contact regarding this data	Bruce Schiefelbein
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<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce.schiefelbein@tdstelecom.com

Page 5

EC Form 407

OMB Control No. 3050-0065 OMB Control No. 3050-0019

41-2043

[illegible]

OMB Tribal Lands Reporting Data Collection Form	FCC Form 481 OMB Control No. 3060-0086 / OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	150133
<015> Study Area Name	VERNON TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Bruce Schiefelbein
<035> Contact Telephone Number - Number of person identified in data line <030>	6086645455 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	bruce.schiefelbein@tdstelecom.com

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.**
- <922> Feasibility and sustainability planning;**
- <923> Marketing services in a culturally sensitive manner;**
- <924> Compliance with Rights of way processes**
- <925> Compliance with Land Use permitting requirements**
- <926> Compliance with Facilities Siting rules**
- <927> Compliance with Environmental Review processes**
- <928> Compliance with Cultural Preservation review processes**
- <929> Compliance with Tribal Business and Licensing requirements.**

Select Yes or No or Not Applicable

100

OMB Control No. 3060-0085/OMB Control No. 3060-0819
July 2013

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ETC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	ETC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	150133
<015> Study Area Name	VERNON TEL CO
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<030> Contact Name - Person USAC should contact regarding this data	Bruce Schiefelbein
<035> Contact Telephone Number - Number of person identified in data line <030>	6086645455 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	bruce.schiefelbein@tdatelecom.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- | | |
|--|-------------------------------------|
| <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, | <input checked="" type="checkbox"/> |
| <1222> Details on the number of minutes provided as part of the plan, | <input checked="" type="checkbox"/> |
| <1223> Additional charges for toll calls, and rates for each such plan. | <input checked="" type="checkbox"/> |

Incremental Connect America Phase I reporting Data Collection Form Including Price Cap Carrier Receiving Frozen Support with Price Cap Local Exchange Carriers	FCC Form 481 OMB Control No. 3060-0086/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	150133
<015> Study Area Name	VERNON TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Bruce Schierelbein
<035> Contact Telephone Number - Number of person identified in data line <030>	6086643453 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	bruce.schierelbein@tdstelecom.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)i}**
- <2011a> 3rd Year Certification {47 CFR § 54.313(b)(1)ii}**
- <2011b> Attachment {47 CFR § 54.313(b)(1)iii}**

Name of Attached Document(s) Listing Required Information

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}**
- <2013> 2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}**
- <2014> 2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}**
- <2015> 2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}**

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband**

Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification**
- <2018> 5th year Broadband Service Certification**
- <2019> Interim Progress Certification**
- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.**

- <2021> Interim Progress Community Anchor Institutions**

Name of Attached Document(s) Listing Required Information

Study Area Code	150133
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CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) Progress Report on 5 Year Plan
Milestone Certification {47 CFR § 54.313(f)(1)(i)}

150133ny3010.pdf

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

☐

- (3012) Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}
(3014) If yes, does your company file the RUS annual report

(Yes/No)
(Yes/No)

☒ ☒

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)
(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐ ☐

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, Is your company audited?

(Yes/No)

☒ ☒

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

☐

- (3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

- (3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit

☐

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,
(3023) Underlying information subjected to a review by an independent certified public accountant
(3024) Underlying information subjected to an officer certification.
(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐ ☐ ☐

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

Attachment 1: Financial Data Summary (Continued)		FCC Form 487
Study Area Name		Change Line No. 1000-1000, 1000-1000, 1000-1000
Study Area Code		150133

<010>	Study Area Code	150133
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<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce.schiefelbein@tdatelecom.com

Financial Data Summary

(3027) Revenue	
(3028) Operating Expenses	
(3029) Net Income	
(3030) Telephone Plant In Service(TPIS)	
(3031) Total Assets	
(3032) Total Debt	
(3033) Total Equity	
(3034) Dividends	

Certification - Reporting Carrier Data Collection Form	File Form AS1 OAS Control No. 306340831/CAIS Control No. 205040819 July 2013
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<039> Contact Email Address - Email Address of person identified in data line <030>	bruce.schiefelbein@tdstelecom.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: VERNON TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/11/2015
Printed name of Authorized Officer: Kevin Hess	
Title or position of Authorized Officer: Executive Vice President	
Telephone number of Authorized Officer: 6086644160 ext.	
Study Area Code of Reporting Carrier: 150133	Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Certification - Agents / Carrier		PCF Form 481
Data Collection Form		OMB Control No. 3050-0062 (Rev. 03-01-05)
		Rev. 2-2013

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<035>	Contact Telephone Number - Number of person identified in data line <030>	6086645455 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	bruce.schiefelbein@tdstelecom.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

Vernon Telephone Company, Inc., dba TDS Telecom

State: NEW YORK

Study Area: 150133

54.313(a)(1) Progress Report on Five Year Service Quality Improvement Plan pursuant to § 54.202(a)

As an Incumbent Local Exchange Carrier (ILEC) and Eligible Telecommunications Carrier (ETC), Vernon has been providing ubiquitous, high-quality voice telecommunications services in its study area for many years. To accomplish and maintain this service level, Vernon has made significant historical investment to deploy, operate, and maintain an integrated, highly-reliable network. In addition to its own capital spending, Vernon draws from the federal Universal Service Fund (USF). Universal service support has been (and continues to be) critical in enabling Vernon's services in its rural markets to be reasonably comparable in quality and price to services in more urban markets, as Congress mandated in the Telecommunications Act. Vernon draws USF support because the cost of providing voice and data services in its rural study area are substantially higher than those in urban areas, and thus all of the costs cannot be recovered solely from Vernon's customers while maintaining reasonably comparable prices. Vernon has made investments to bring high speed data services to its customers when the level of customer revenues and universal service support has made it financially viable to do so.

For Vernon, federal high cost support is used to help offset ongoing network costs, but the monies received cover only a portion of the cost of updating and operating the network. In 2014, Vernon received \$292,900 in USF support while incurring [REDACTED] in operating expenses and investing [REDACTED] in new plant. The attached Schedule A contains a list of specific network improvement projects that were completed in 2014 at the wire center level. Where these projects related to specific DSAs within the wire center, it is so indicated and can be cross-referenced to the exchange map attached as Exhibit 1. As evidenced by these support and expenditure numbers provided for the current reporting year, the universal service support that Vernon receives covers only a fraction of its cost to provide service. Continued receipt of USF support is vital to helping Vernon maintain reasonably comparable rates for local exchange service; and to incrementally upgrade its telecommunications facilities and equipment to help meet evolving service requirements and maintain high quality service.

Because USF funding support is modest compared to Vernon's ongoing network operating expense, the spending of USF support money is primarily focused on repair, maintenance and incremental upgrades to maintain existing service levels rather than further expansion of broadband services deeper into the

Vernon Telephone Company, Inc., dba TDS Telecom

State: NEW YORK

Study Area: 150133

54.313(a)(1) Progress Report on Five Year Service Quality Improvement Plan pursuant to § 54.202(a)

network. Given the current level of customer revenues, the level of universal support, and the technology available today, the additional costs associated with expanding broadband services to unserved portions of the study area, or increasing speeds to already served portions of the study area, far exceed Vernon's financial ability to make such investments.

The telecommunications industry continues to change rapidly and significantly as a result of the unprecedented pace of technological advances, increasing customer needs and ongoing regulatory reforms. The level of uncertainty brought about by these factors make long-range network planning a difficult task. By necessity, significant capital investment in network upgrades is cyclical. Capital expenditures in one year are typically followed by a number of years of maintenance of the network to allow time for recovery and return on the investment before the next upgrade is undertaken.

Rapid and significant changes in technology are expected to continue to occur in the telecommunications industry over the next five years. Vernon believes that its existing network architecture will enable it to incorporate many of these technological changes efficiently, but expects that such changes will also shorten product lifecycles and drive an increase in the rate of obsolescence experienced with existing network equipment. However, having the capability to evolve and being able to afford the cost to evolve, are both necessary to support the capital expenditure.

In an attempt to deliver products similar to those available in more urban areas, telecom companies, like Vernon are under growing pressure to provide access to services and applications that are driving enormous growth in customer demand for bandwidth. Absent predictable and sufficient universal service support for broadband services, Vernon will be unable to meet this growing demand.

In addition, Vernon also faces significant regulatory uncertainty at this time. The FCC's Transformation Order and subsequent orders on reconsideration have put universal service revenue in a state of flux. Forecasting universal service revenues and developing long-range, detailed network plans that depend on those revenues has become all but impossible. While the FCC Transformation Order adopted a

Vernon Telephone Company, Inc., dba TDS Telecom

State: NEW YORK

Study Area: 150133

54.313(a)(1) Progress Report on Five Year Service Quality Improvement Plan pursuant to § 54.202(a)

number of comprehensive reforms to the universal service and intercarrier compensation mechanisms, it also left open the long term framework for universal service. Presently there are multiple plans in front of the FCC proposing new and different frameworks. While some plans provide for continued support under a rate of return (ROR) regime, others propose an optional plan to move in the direction of support based on a model which predicts the costs of a forward looking fiber to the home network. The details of these plans radically differ from one another, and the FCC has given little indication of which of these plans it will move towards. It is also possible that universal service reform for ROR companies will not be resolved in the near term, and that the current mechanisms will continue to struggle along. Given this backdrop, predicting next year's federal universal service amounts, let alone those for the next five years, is tenuous at best.

The most conservative approach would be to utilize status quo whereby we forecast based on past revenues. Yet even this approach is uncertain at best. For example, even under the "status quo" assumption, the FCC is considering (1) represeting the authorized interstate rate-of-return, possibly to a level lower than the current 11.25%; (2) eliminating high cost support in areas where there is an unsubsidized competitor offering service to less than 100% of customers; (3) limiting the recovery of Interstate Common Line Support (ICLS); and (4) lowering originating switched access rates similar to terminating rates. Having all these unknowns on the planning horizon (most, if not all of which could have a negative impact on Vernon's level of support) make it near impossible to predict to what extent Vernon can rely on universal service support at historic levels for continued aid in supporting its network. Any future rulemaking that results from these proposals could have significant impacts on the future network plans of Vernon.

Given all of the uncertainty surrounding the industry, and the need for Vernon to allocate scarce resources, invest prudently, and operate efficiently, long range predictive forecasting at any level of granularity is difficult and subject to revision as new information becomes known. Also, the speculative nature of planning in this type of environment hinders Vernon's ability to effectively develop long-term network build out plans based on projected future USF support.

Vernon Telephone Company, Inc., dba TDS Telecom

State: NEW YORK

Study Area: 150133

54.313(a)(1) Progress Report on Five Year Service Quality Improvement Plan pursuant to § 54.202(a)

The attached Schedule B summarizes Vernon's USF received in 2014 and projected expenditures for 2015 – 2019. The projected 5-year period is based upon historical spending data, which, given the many unknown factors, may have limited value in predicting future network needs and may vary widely from actual spending incurred in the forecasted years, and thus should be treated with that in mind.

The content, timing, and specific geographic locations of projects that will be undertaken in the next five years, is unknown at this time. The selection of future projects will be based on the evaluation of many factors, including current consumer demand, limited capital resources and estimated amounts of universal service support. These and other external factors are not within Vernon's control and are subject to change. Such changes may affect the assumptions and calculations regarding the optimal improvements to network facilities required to provide high-quality advanced services to Vernon's customers.

With full recognition of the difficulty in predicting exact locations, specific projects or levels of expenditures, Vernon commits to utilize available universal service support to help maintain and improve network quality, and if feasible, deploy advanced technologies and new services, expand coverage and improve broadband speeds for its customers.

Vernon Telephone Company, Inc.

Schedule A

State: NEW YORK

Study Area: 150133

54.313(a)(1) Progress Report on Five Year Service Quality Improvement Plan pursuant to § 54.202(a)

2014 Capital Expenditures

Exchange	DSA	DSA Population	Description	Expenditure
KNOXBORO	42700	743		
	Various	#N/A		
	Various	#N/A		
VERNON	42600	2,125		
	42600	2,125		
	42600	2,125		
	42600	2,125		
	42600	2,125		
	42600	2,125		
	42603	877		
	Customer specific	#N/A		
	Various	#N/A		
	Various	#N/A		
	Various	#N/A		
	Various	#N/A		
	none	#N/A		
ALL EXCHANGES	All Exchanges	#N/A		
	All Exchanges	#N/A		

Schedule B

Vernon Telephone Company, Inc. (SAC 150133)

Line 100 - Service Quality Improvement Reporting

Rule 54.202(a)(1) and 54.313(a)(1)

USF Received in 2014

High Cost Loop Support	\$	-
ICLS Support	\$	186,306
Safety Net Additive	\$	-
Safety Value Additive		
CAF	\$	106,529
TOTAL	\$	292,835

Five-Year Plan

	2015	2016	2017	2018	2019
Operating Expenses	\$				
Capital Expenditures	\$				

VERNON TEL. CO., NY

Broadband Status

Exhibit 1

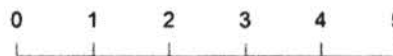


DLC LOCATION | DSA

- Existing
- Proposed | Future
- Broadband Enabled
- No DSL

OTHER FEATURES

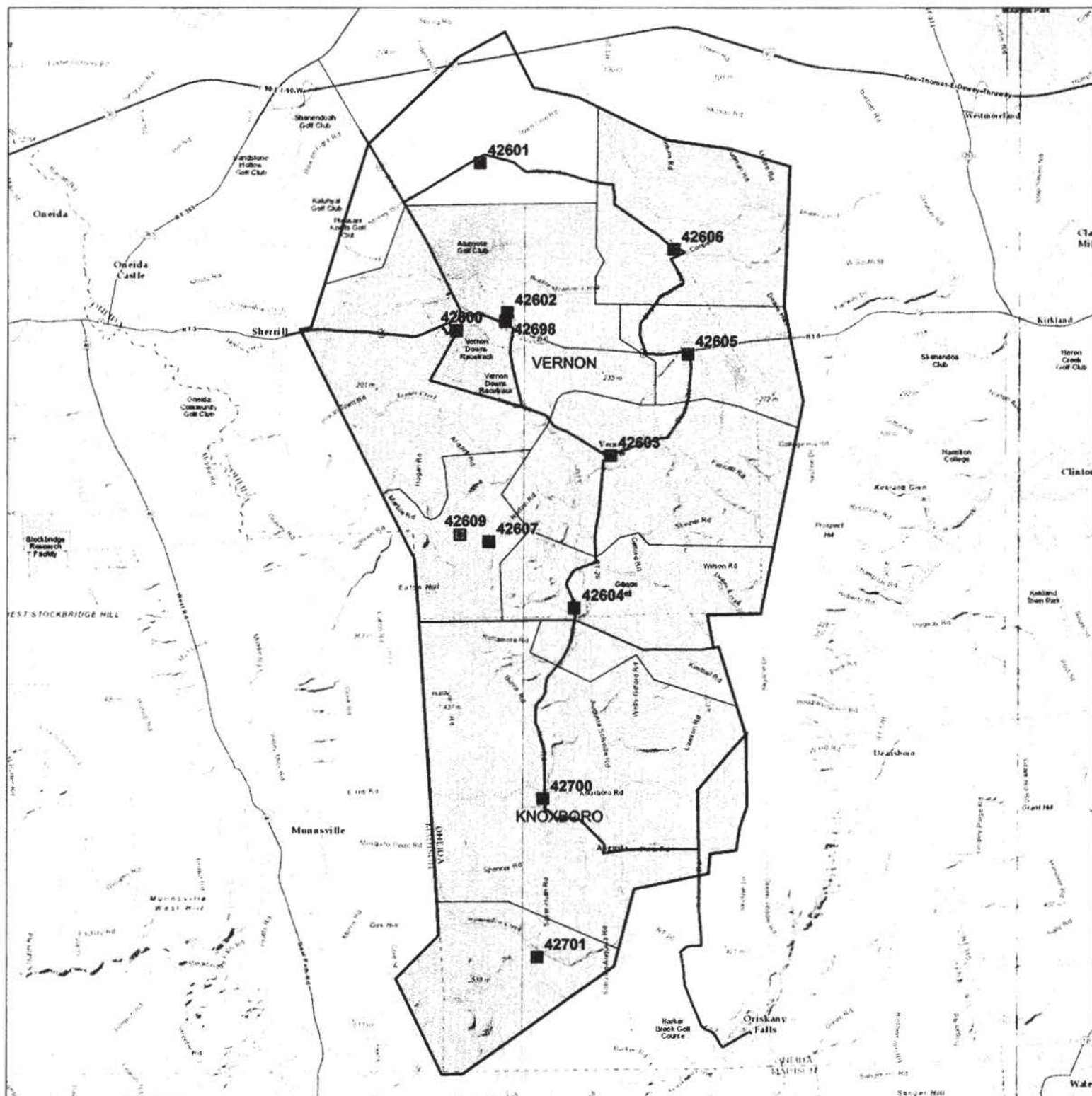
- Exchange Boundary
- Existing TDS Fiber



Scale = Miles



TDS Telecom Network Services | OSP Records | Date: 5/1/2015



Line 330 – Detail on Attempts (broadband)

Rule 54.313(a)(3)

Vernon Telephone Company, Inc. has implemented service availability tracking tools and employee training capabilities to respond to direct customer requests for broadband services.

Upon receipt of a new broadband service request, Vernon Telephone Company, Inc.'s service advisors follow these steps for provisioning the service:

- 1) The Vernon Telephone Company, Inc. service advisor uses a customized service addressability software tool to determine if broadband service is available to the requested service address. If it is determined that service is offered to the address, an installation order will be initiated and scheduled immediately.
- 2) If the information in the service addressability tool indicates that extension of broadband service to the service address might be possible, a field service technician is dispatched to the customer premise to perform additional diagnostic testing. Such testing will determine whether there are any reasonable adjustments to the network or customer facilities which can be made to enable the provision of service. If tests confirm that broadband service can be offered at the service address, an order is initiated and service is provisioned.
- 3) In situations where Vernon Telephone Company, Inc.'s terrestrial broadband service is not available to a requesting customer, Vernon Telephone Company, Inc. has partnered with Dish Network to offer dishNET satellite broadband service to customers. Vernon Telephone Company, Inc.'s service advisors are trained to discuss and assist the customer in ordering dishNET broadband service.

As the Commission acknowledged¹, some of the service areas served by rate of return Carriers like Vernon Telephone Company, Inc., have characteristics that make it highly cost prohibitive to extend broadband service using terrestrial wireline technology. Except as may be noted in Vernon Telephone Company, Inc.'s 5-year plan attached to this filing, any further build-out of terrestrial broadband service to additional locations within its study area will be dependent upon the cost of the technology to be deployed and the capital infrastructure funding level available.

¹ See *In the Matter of Connect America Fund*, WC Docket No. 10-90, Order DA 13-332, released March 3, 2013 at paras 10-11.

Line 510 – Description of Compliance with Service Quality Standards and Consumer Protection

Rule 54.313(a)(5)

TDS Telecommunications Corporation's ILEC companies follow applicable federal and state service quality and consumer protection rules. They comply with quality of service requirements including monitoring and reporting service quality metrics where required. TDS Telecom has implemented numerous consumer protection measures to protect customer information. For example, TDS implemented Customer Proprietary Network Information (CPNI) policies and procedures that are consistent with the FCC's regulations. Employees are required to complete CPNI training and in addition, employees who have access to CPNI data receive additional guidance through written procedures regarding customer authentication. Annually, all employees are required to review TDS' Business Code of Conduct which includes information and requirements on protecting sensitive customer information from improper use and disclosure. TDS data privacy and security policies are reinforced through periodic training required of all employees. Additional consumer protection measures include TDS' use of a third-party verifier to prevent unauthorized presubscribed interexchange carrier (PIC) changes ("Slamming") and the elimination of billing and collection arrangements that could have potentially allowed unauthorized third-party charges to be added to customer's bills ("Cramming").

Line 610 – Description of Functionality in Emergency Situations**Rule 54.313(a)(6)**

Company is able to remain functional in an emergency situation through the use of back-up power to ensure functionality without an external power source. The Company's standard for battery backup is 8 hours in offices with no generator and 4 hours in offices with a generator. This is ensured during semi-annual routine maintenance which includes battery inspection, cleaning, documentation of float voltage and cell temperature, as well as equalization or replacement if necessary. In addition, permanent generators are present at significant wire centers to maintain power in the event a commercial power failure extends beyond battery backup capabilities. Also, portable generators are available for deployment to remote wire centers without permanent generators. The Company's network is engineered to provide maximum capacity in order to handle excess traffic in the event of traffic spikes resulting from emergency situations. Company facilities are remotely monitored and managed by a centralized Network Operations Center which is staffed 24 x 7, 365 days a year. Technicians are able to remotely access and respond to alarm conditions. By design, transport redundancy is built into the telephony and data network on many levels and in the event of a hardware or circuit failure or traffic spike, the networks are able to self-correct in many cases or, at many locations, technicians are able to manually switch network elements to standby facilities both locally and remotely.